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**State:** District of Columbia **Filing Company:** Union Fidelity Life Insurance Company  
**TOI/Sub-TOI:** MS02I Individual Medicare Supplement - Pre-Standardized/MS02I.000 Medicare Supplement - Pre-Standardized  
**Product Name:** 2013 UFLIC PreStd Filing  
**Project Name/Number:** /

## Filing at a Glance

Company: Union Fidelity Life Insurance Company  
Product Name: 2013 UFLIC PreStd Filing  
State: District of Columbia  
TOI: MS02I Individual Medicare Supplement - Pre-Standardized  
Sub-TOI: MS02I.000 Medicare Supplement - Pre-Standardized  
Filing Type: Rate  
Date Submitted: 04/23/2013  
SERFF Tr Num: AETN-128997398  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num: 2013 UFLIC PRESTD DC  
  
Implementation: 06/01/2013  
Date Requested:  
Author(s): George Ronczy, Xiufeng Yin  
Reviewer(s): Efren Tanhehco (primary), Carolyn King  
Disposition Date:  
Disposition Status:  
Implementation Date:  
  
State Filing Description:

**State:** District of Columbia  
**TOI/Sub-TOI:** MS021 Individual Medicare Supplement - Pre-Standardized/MS021.000 Medicare Supplement - Pre-Standardized  
**Product Name:** 2013 UFLIC PreStd Filing  
**Project Name/Number:** /

**Filing Company:** Union Fidelity Life Insurance Company

## General Information

Project Name: Status of Filing in Domicile: Pending  
Project Number: Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Individual  
Submission Type: New Submission Individual Market Type:  
Overall Rate Impact: 9% Filing Status Changed: 05/03/2013  
State Status Changed:  
Deemer Date: Created By: Xiufeng Yin  
Submitted By: Xiufeng Yin Corresponding Filing Tracking Number:

### Filing Description:

Union Fidelity Life Insurance Company Prestandardized Medicare Supplement Rate Increase Filing.  
Forms 1-1042, 1-1053, 1-8550  
Rate increase requested: 9.0%

## Company and Contact

### Filing Contact Information

Xiufeng Yin, Actuarial Consultant Xiufeng.yin@aetna.com  
11675 Great Oaks Way 770-346-1463 [Phone]  
Alpharetta, GA 30022

### Filing Company Information

Union Fidelity Life Insurance Company	CoCode: 62596	State of Domicile: Kansas
7101 College Blvd., Suite 1400	Group Code: 350	Company Type:
Overland Park, KS 66210	Group Name:	State ID Number:
(913) 982-3717 ext. [Phone]	FEIN Number: 31-0252460	

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Union Fidelity Life Insurance Company
<b>TOI/Sub-TOI:</b>	MS021 Individual Medicare Supplement - Pre-Standardized/MS021.000 Medicare Supplement - Pre-Standardized		
<b>Product Name:</b>	2013 UFLIC PreStd Filing		
<b>Project Name/Number:</b>	/		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	SERFF
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	0.000%
<b>Effective Date of Last Rate Revision:</b>	
<b>Filing Method of Last Filing:</b>	

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Union Fidelity Life Insurance Company	9.000%	9.000%	\$806	4	\$8,961	9.000%	9.000%

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Union Fidelity Life Insurance Company
<b>TOI/Sub-TOI:</b>	MS021 Individual Medicare Supplement - Pre-Standardized/MS021.000 Medicare Supplement - Pre-Standardized		
<b>Product Name:</b>	2013 UFLIC PreStd Filing		
<b>Project Name/Number:</b>	/		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate page		New		2013 UFLIC DC Rate Schedules.pdf,

# UNION FIDELITY LIFE INSURANCE COMPANY

## Actuarial Justification for Medicare Supplement Rate Increase

Pre-Standardized Medicare Supplement Plans

Forms 1-1042, 1-1053, 1-8550

### DC Rate Schedules

Policy Number	Policy Number	Current Rates	Proposed Rate Increase	Proposed Rates
		Annualized Premium		Annualized Premium
#1	000A466876	3,026	9%	3,298
#2	000A665915	2,377	9%	2,590
#3	000A705686	2,376	9%	2,590
#4	000D037806	1,182	9%	1,288
Total:		8,961	9%	9,767

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Union Fidelity Life Insurance Company
<b>TOI/Sub-TOI:</b>	MS021 Individual Medicare Supplement - Pre-Standardized/MS021.000 Medicare Supplement - Pre-Standardized		
<b>Product Name:</b>	2013 UFLIC PreStd Filing		
<b>Project Name/Number:</b>	/		

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Cover Letter All Filings
<b>Bypass Reason:</b>	Please see General Information
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Certificate of Authority to File
<b>Comments:</b>	
<b>Attachment(s):</b>	UFLIC Med Sup Letter of Auth 2012-10-01 Aetna.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	2013 UFLIC DC AJ.pdf Exhibit I.pdf Exhibit II.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	Not Applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	Not Applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Union Fidelity Life Insurance Company
<b>TOI/Sub-TOI:</b>	MS021 Individual Medicare Supplement - Pre-Standardized/MS021.000 Medicare Supplement - Pre-Standardized		
<b>Product Name:</b>	2013 UFLIC PreStd Filing		
<b>Project Name/Number:</b>	/		

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	Not Applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Not Applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	Not Applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



**Union Fidelity Life Insurance Company**  
7101 College Blvd., Suite 1400  
Overland Park KS 66210

August 22, 2012

Aetna Life Insurance Company.  
151 Farmington Avenue  
Hartford, CT 06156

Attn: Beth Gilbert and George Ronczy

*VIA ELECTRONIC MAIL AND OVERNIGHT DELIVERY*

Re: Union Fidelity Life Insurance Company (Company)  
NAIC 62596

Dear Ms. Gilbert and Mr. Ronczy:

Effective October 1, 2012, this letter authorizes Aetna Life Insurance Company to file on behalf of Company their policy forms, rate filings and reports with the State Departments of Insurance.

Aetna Life Insurance Company may correspond with the State Departments of Insurance regarding any questions they may have concerning the filings.

A copy of this letter is as valid as the original. This authorization will be valid for twelve months from the date of this letter.

Please do not hesitate to contact me if you have any questions. My telephone number is 913-982-3717 and my email address is [Catherine.McBride@ge.com](mailto:Catherine.McBride@ge.com).

Sincerely,

A handwritten signature in cursive script that reads 'Catherine R. McBride'.

Catherine R. McBride  
Vice President & Associate General Counsel

cc: Kathy Russell (*electronic only*)  
Karen Fleming (*electronic only*)  
Janice Burns (*electronic only*)



# UNION FIDELITY LIFE INSURANCE COMPANY

## Actuarial Memorandum Pre-Standardized Medicare Supplement Plans

### 1) Introduction

This is a rate increase filing for existing Medicare Supplement forms. This became a closed block of business in 1991. The purpose of this rate filing is to demonstrate that the anticipated loss ratio of these forms meets the minimum requirements of this state. This rate filing is not intended to be used for any other purpose.

The proposed rate increase is 9.0% for the company's pre-standardized Medicare Supplement business .

### 2) Benefit Description

These forms are for the company's current existing Medicare Supplement Pre-Standardized Individual plan, described in the NAIC Medicare Supplement Insurance Model Regulation.

### 3) Renewal Provisions

These policy forms are guaranteed renewal for life at the option of the policyholder. UNION FIDELITY LIFE INSURANCE COMPANY Company may change the premiums by plan if such change applies to all policies, although the percentage change may vary by risk classification cell.

### 4) Nationwide Average Rate Change History

Year	ImPl. Date	Ave Rate Inc.
1997	01/01/1997	9.9%
1998	05/01/1998	14.0%
1999	07/01/1999	12.1%
2000	10/01/2000	11.2%
2001	10/01/2001	15.0%
2002	10/01/2002	10.7%
2003	10/01/2003	7.2%
2004	10/01/2004	6.3%
2005	n/a	0.0%
2006	04/01/2006	7.8%
2007	07/01/2007	8.0%
2008	10/01/2008	7.7%
2009	10/01/2009	8.0%
2010	n/a	0.0%
2011	05/01/2011	8.1%
2012	06/01/2012	7.9%

### 5) Average Premium and Inforce Policies

The attached Exhibit I shows the estimated average annual premium for these policy forms and the number of policies in force as of 12/31/2012

### 6) Trend

We expect the 2012 overall claim cost trend to be 9.0% for these plans.

# UNION FIDELITY LIFE INSURANCE COMPANY

## Actuarial Memorandum Pre-Standardized Medicare Supplement Plans

### 7) Minimum Required Loss Ratio

The minimum required lifetime loss ratio for these policy forms is 65%.

### 8) Experience

Exhibit II shows the nationwide experience for these policy forms from inception through 12/31/2012 with claims restated as of 12/31/2012.

### 9) Rate Change Request

An average 9.0% rate increase is proposed for the Medicare Supplement Pre-Standardized Plan forms for this state.

Due to credibility issues, Nationwide pooled experience has been used to projecting future loss ratios. This projection has been provided in Exhibit III.

Assuming approval of the proposed 2013 rate schedules, the lifetime and anticipated loss ratios for these policy forms are expected to exceed the 65% minimum loss ratio requirement.

### 10) Effective Date

The proposed rates are provided in the attached rate sheet. We are proposing an effective date of 06/01/2013 for the new rates, which will be implemented on each member's policy anniversary date.

### 11) Certification

I certify that, to the best of my knowledge and judgment, this filing is in compliance with the applicable laws and regulations of the state and is in compliance with the current standards of practice promulgated by the Actuarial Standards board. The required loss ratio standards have been satisfied and the proposed premiums are not unreasonable or unfairly discriminatory compared to the benefits provided.



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George Ronczy, ASA, MAAA  
Assistant Actuary  
Aetna Inc.

04/23/2013

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Date

Exhibit I - Average Annual Premium and Inforce Policies  
Exhibit II - Nationwide Experience and Projection

**UNION FIDELITY LIFE INSURANCE COMPANY**  
**Pre-Standardized Medicare Supplement Plans**

**Exhibit I - Average Annual Premium and Inforce Policies**

State: District of Columbia  
Valuation Date: 12/31/2012

	Pre-Standardized
Total Annual Premium	8,961
Number of Policies Inforce	4
Average Premium	2,240

State: Nationwide  
Valuation Date: 12/31/2012

	Pre-Standardized
Total Annual Premium	1,485,092
Number of Policies Inforce	666
Average Premium	2,230

# UNION FIDELITY LIFE INSURANCE COMPANY

## Pre-Standardized Medicare Supplement Plans

### Exhibit II - Nationwide Experience and Projection

Experience Year	Earned Premium	Incurred Claims	Claim Ratio	Year Exposures	Persistency	Average Annual Premium	Premium Trend	Average Claim Cost	Claim Cost Trend
1984 & Prior	169,081,058	94,879,734	56.1%	387,022	N/A	N/A	N/A	N/A	N/A
1985	84,214,475	44,283,943	52.6%	175,080	45.2%	481	N/A	253	N/A
1986	81,829,329	49,056,124	59.9%	158,645	90.6%	516	7.2%	309	22.3%
1987	78,483,772	49,562,357	63.1%	142,752	90.0%	550	6.6%	347	12.3%
1988	68,123,102	43,944,805	64.5%	116,696	81.7%	584	6.2%	377	8.5%
1989	53,361,512	31,938,837	59.9%	86,013	73.7%	620	6.3%	371	-1.4%
1990	48,968,215	31,999,609	65.3%	73,944	86.0%	662	6.7%	433	16.5%
1991	44,428,139	28,958,125	65.2%	61,997	83.8%	717	8.2%	467	7.9%
1992	39,243,284	25,134,184	64.0%	50,529	81.5%	777	8.4%	497	6.5%
1993	33,975,701	22,852,049	67.3%	39,541	78.3%	859	10.6%	578	16.2%
1994	29,429,356	20,404,470	69.3%	32,041	81.0%	918	6.9%	637	10.2%
1995	25,156,547	17,663,098	70.2%	25,612	79.9%	982	6.9%	690	8.3%
1996	21,023,903	15,870,640	75.5%	20,672	80.7%	1,017	3.5%	768	11.3%
1997	17,791,379	13,839,735	77.8%	16,015	77.5%	1,111	9.2%	864	12.6%
1998	15,017,793	12,711,285	84.6%	12,770	79.7%	1,176	5.9%	995	15.2%
1999	13,312,830	10,846,077	81.5%	11,419	89.4%	1,166	-0.9%	950	-4.6%
2000	11,670,300	8,997,105	77.1%	9,843	86.2%	1,186	1.7%	914	-3.8%
2001	10,374,284	7,576,101	73.0%	8,009	81.4%	1,295	9.3%	946	3.5%
2002	9,397,197	6,636,079	70.6%	6,687	83.5%	1,405	8.5%	992	4.9%
2003	8,455,905	5,674,899	67.1%	5,507	82.4%	1,535	9.3%	1,030	3.8%
2004	7,376,491	5,313,086	72.0%	4,560	82.8%	1,618	5.4%	1,165	13.1%
2005	6,426,307	5,044,552	78.5%	3,725	81.7%	1,725	6.6%	1,354	16.2%
2006	5,330,821	4,317,216	81.0%	3,017	81.0%	1,767	2.4%	1,431	5.7%
2007	4,486,936	3,980,901	88.7%	2,403	79.6%	1,868	5.7%	1,657	15.8%
2008	3,648,092	3,156,689	86.5%	1,855	77.2%	1,967	5.3%	1,702	2.7%
2009	3,012,620	2,656,552	88.2%	1,403	75.7%	2,147	9.2%	1,893	11.2%
2010	2,406,458	2,142,080	89.0%	1,150	82.0%	2,093	-2.5%	1,863	-1.6%
2011	2,128,981	1,714,852	80.5%	994	86.4%	2,143	2.4%	1,726	-7.3%
2012	1,632,908	1,156,920	70.9%	827	83.2%	1,975	-7.9%	1,399	-19.0%
2013	1,319,422	945,401	71.7%	620	75.0%	2,128	7.8%	1,525	9.0%
2014	1,078,628	772,867	71.7%	465	75.0%	2,320	9.0%	1,662	9.0%
2015	882,412	632,273	71.7%	349	75.0%	2,528	9.0%	1,812	9.0%
2016	722,062	517,377	71.7%	262	75.0%	2,756	9.0%	1,975	9.0%
2017	591,788	424,031	71.7%	197	75.0%	3,004	9.0%	2,152	9.0%
2018	484,605	347,232	71.7%	148	75.0%	3,274	9.0%	2,346	9.0%
2019	396,165	283,861	71.7%	111	75.0%	3,569	9.0%	2,557	9.0%
2020	322,892	231,360	71.7%	83	75.0%	3,890	9.0%	2,787	9.0%
2021	262,904	188,377	71.7%	62	75.0%	4,240	9.0%	3,038	9.0%
2022	217,234	155,654	71.7%	47	75.0%	4,622	9.0%	3,312	9.0%
2023	176,330	126,345	71.7%	35	75.0%	5,038	9.0%	3,610	9.0%
2024	142,777	102,303	71.7%	26	75.0%	5,491	9.0%	3,935	9.0%
2025	119,713	85,777	71.7%	20	75.0%	5,986	9.0%	4,289	9.0%
2026	97,865	70,123	71.7%	15	75.0%	6,524	9.0%	4,675	9.0%
2027	78,227	56,052	71.7%	11	75.0%	7,112	9.0%	5,096	9.0%
2028	62,013	44,434	71.7%	8	75.0%	7,752	9.0%	5,554	9.0%
2029	50,695	36,325	71.7%	6	75.0%	8,449	9.0%	6,054	9.0%
2030	46,048	32,995	71.7%	5	75.0%	9,210	9.0%	6,599	9.0%
2031	40,154	28,771	71.7%	4	75.0%	10,039	9.0%	7,193	9.0%
2032	32,826	23,521	71.7%	3	75.0%	10,942	9.0%	7,840	9.0%
Thru 2032	906,912,455	577,417,183	63.7%						

UNION FIDELITY LIFE INSURANCE COMPANY  
Pre-Standardized Medicare Supplement Plans

Exhibit II - Nationwide Experience and Projection

Accumulated/Discounted <sup>(1)</sup>

1984-2012	2,823,188,177	1,745,547,751	61.8%
2013-2032	5,790,077	4,148,744	71.7%
Cumulative	2,828,978,254	1,749,696,495	61.8%

Projection Assumptions

			Claim Cost Trend	
Persistency:	75.0%		2013-2033	9.0%
Rate Changes	Aging	R.S. Change	Total	Effect. <sup>(2)</sup>
2012	0.0%	7.9%	9.0%	0.221
2013	0.0%	9.0%	9.0%	0.182
2014	0.0%	9.0%	9.0%	0.182
2015	0.0%	9.0%	9.0%	0.182
2016	0.0%	9.0%	9.0%	0.182
2017	0.0%	9.0%	9.0%	0.182
2018	0.0%	9.0%	9.0%	0.182
2019	0.0%	9.0%	9.0%	0.182
2020	0.0%	9.0%	9.0%	0.182
2021	0.0%	9.0%	9.0%	0.182
2022	0.0%	9.0%	9.0%	0.182
2023	0.0%	9.0%	9.0%	0.182
2024	0.0%	9.0%	9.0%	0.182
2025	0.0%	9.0%	9.0%	0.182
2026	0.0%	9.0%	9.0%	0.182
2027	0.0%	9.0%	9.0%	0.182
2028	0.0%	9.0%	9.0%	0.182
2029	0.0%	9.0%	9.0%	0.182
2030	0.0%	9.0%	9.0%	0.182
2031	0.0%	9.0%	9.0%	0.182
2032	0.0%	9.0%	9.0%	0.182

<sup>(1)</sup> Accumulated / discounted to 12/31/2012 at 5%

<sup>(2)</sup> 2013+ rate changes are assumed to be 18.2% effective in the increase year and 81.8% effective in the following year.